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H. R. 2

IN THE SENATE OF THE UNITED STATES

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Received; read twice and referred jointly to the Committees on the Budget and Governmental Affairs, with instructions that if one committee reports, the other committee have thirty days to report or be discharged

AN ACT

To give the President item veto authority over appropriation Acts and targeted tax benefits in revenue Acts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Line Item Veto Act”.

5 **SEC. 2. LINE ITEM VETO AUTHORITY.**

6 (a) IN GENERAL.—Notwithstanding the provisions of
7 part B of title X of the Congressional Budget and Im-
8 poundment Control Act of 1974, and subject to the provi-
9 sions of this section, the President may rescind all or part
10 of any dollar amount of any discretionary budget authority
11 specified in an appropriation Act or conference report or
12 joint explanatory statement accompanying a conference

1 report on the Act, or veto any targeted tax benefit which
2 is subject to the terms of this Act if the President—

3 (1) determines that—

4 (A) such rescission or veto would help re-
5 duce the Federal budget deficit;

6 (B) such rescission or veto will not impair
7 any essential Government functions; and

8 (C) such rescission or veto will not harm
9 the national interest; and

10 (2) notifies the Congress of such rescission or
11 veto by a special message not later than ten calendar
12 days (not including Sundays) after the date of en-
13 actment of an appropriation Act providing such
14 budget authority or a revenue or reconciliation Act
15 containing a targeted tax benefit.

16 (b) DEFICIT REDUCTION.—In each special message,
17 the President may also propose to reduce the appropriate
18 discretionary spending limit set forth in section 601(a)(2)
19 of the Congressional Budget Act of 1974 by an amount
20 that does not exceed the total amount of discretionary
21 budget authority rescinded by that message.

22 (c) SEPARATE MESSAGES.—The President shall sub-
23 mit a separate special message for each appropriation Act
24 and for each revenue or reconciliation Act under this sec-
25 tion.

1 (d) LIMITATION.—No special message submitted by
2 the President under this section may change any prohibi-
3 tion or limitation of discretionary budget authority set
4 forth in any appropriation Act.

5 (e) SPECIAL RULE FOR FISCAL YEAR 1995 APPRO-
6 PRIATION MEASURES.—Notwithstanding subsection
7 (a)(2), in the case of any unobligated discretionary budget
8 authority provided by any appropriation Act for fiscal year
9 1995, the President may rescind all or part of that discre-
10 tionary budget authority under the terms of this Act if
11 the President notifies the Congress of such rescission by
12 a special message not later than ten calendar days (not
13 including Sundays) after the date of enactment of this
14 Act.

15 **SEC. 3. LINE ITEM VETO EFFECTIVE UNLESS DIS-**
16 **APPROVED.**

17 (a)(1) Any amount of budget authority rescinded
18 under this Act as set forth in a special message by the
19 President shall be deemed canceled unless, during the pe-
20 riod described in subsection (b), a rescission/receipts dis-
21 approval bill making available all of the amount rescinded
22 is enacted into law.

23 (2) Any provision of law vetoed under this Act as set
24 forth in a special message by the President shall be
25 deemed repealed unless, during the period described in

1 subsection (b), a rescission/receipts disapproval bill restor-
2 ing that provision is enacted into law.

3 (b) The period referred to in subsection (a) is—

4 (1) a congressional review period of twenty cal-
5 endar days of session, beginning on the first cal-
6 endar day of session after the date of submission of
7 the special message, during which Congress must
8 complete action on the rescission/receipts disapproval
9 bill and present such bill to the President for ap-
10 proval or disapproval;

11 (2) after the period provided in paragraph (1),
12 an additional ten days (not including Sundays) dur-
13 ing which the President may exercise his authority
14 to sign or veto the rescission/receipts disapproval
15 bill; and

16 (3) if the President vetoes the rescission/re-
17 cepts disapproval bill during the period provided in
18 paragraph (2), an additional five calendar days of
19 session after the date of the veto.

20 (c) If a special message is transmitted by the Presi-
21 dent under this Act and the last session of the Congress
22 adjourns sine die before the expiration of the period de-
23 scribed in subsection (b), the rescission or veto, as the case
24 may be, shall not take effect. The message shall be deemed
25 to have been retransmitted on the first Monday in Feb-

1 ruary of the succeeding Congress and the review period
2 referred to in subsection (b) (with respect to such mes-
3 sage) shall run beginning after such first day.

4 **SEC. 4. DEFINITIONS.**

5 As used in this Act:

6 (1) The term “rescission/receipts disapproval
7 bill” means a bill or joint resolution which only dis-
8 approves, in whole, rescissions of discretionary budg-
9 et authority or only disapproves vetoes of targeted
10 tax benefits in a special message transmitted by the
11 President under this Act and—

12 (A) which does not have a preamble;

13 (B)(i) in the case of a special message re-
14 garding rescissions, the matter after the enact-
15 ing clause of which is as follows: “That Con-
16 gress disapproves each rescission of discre-
17 tionary budget authority of the President as
18 submitted by the President in a special message
19 on _____”, the blank space being filled in
20 with the appropriate date and the public law to
21 which the message relates; and

22 (ii) in the case of a special message re-
23 garding vetoes of targeted tax benefits, the
24 matter after the enacting clause of which is as
25 follows: “That Congress disapproves each veto

1 of targeted tax benefits of the President as sub-
2 mitted by the President in a special message on
3 _____”, the blank space being filled in with
4 the appropriate date and the public law to
5 which the message relates; and

6 (C) the title of which is as follows: “A bill
7 disapproving the recommendations submitted by
8 the President on _____”, the blank space
9 being filled in with the date of submission of
10 the relevant special message and the public law
11 to which the message relates.

12 (2) The term “calendar days of session” shall
13 mean only those days on which both Houses of Con-
14 gress are in session.

15 (3) The term “targeted tax benefit” means any
16 provision of a revenue or reconciliation Act deter-
17 mined by the President to provide a Federal tax de-
18 duction, credit, exclusion, preference, or other con-
19 cession to 100 or fewer beneficiaries. Any partner-
20 ship, limited partnership, trust, or S corporation,
21 and any subsidiary or affiliate of the same parent
22 corporation, shall be deemed and counted as a single
23 beneficiary regardless of the number of partners,
24 limited partners, beneficiaries, shareholders, or affili-
25 ated corporate entities.

1 (4) The term “appropriation Act” means any
2 general or special appropriation Act, and any Act or
3 joint resolution making supplemental, deficiency, or
4 continuing appropriations.

5 **SEC. 5. CONGRESSIONAL CONSIDERATION OF LINE ITEM**
6 **VETOES.**

7 (a) **PRESIDENTIAL SPECIAL MESSAGE.**—Whenever
8 the President rescinds any budget authority as provided
9 in this Act or vetoes any provision of law as provided in
10 this Act, the President shall transmit to both Houses of
11 Congress a special message specifying—

12 (1) the amount of budget authority rescinded or
13 the provision vetoed;

14 (2) any account, department, or establishment
15 of the Government to which such budget authority
16 is available for obligation, and the specific project or
17 governmental functions involved;

18 (3) the reasons and justifications for the deter-
19 mination to rescind budget authority or veto any
20 provision pursuant to this Act;

21 (4) to the maximum extent practicable, the esti-
22 mated fiscal, economic, and budgetary effect of the
23 rescission or veto; and

24 (5) all actions, circumstances, and consider-
25 ations relating to or bearing upon the rescission or

1 veto and the decision to effect the rescission or veto,
2 and to the maximum extent practicable, the esti-
3 mated effect of the rescission upon the objects, pur-
4 poses, and programs for which the budget authority
5 is provided.

6 (b) TRANSMISSION OF MESSAGES TO HOUSE AND
7 SENATE.—

8 (1) Each special message transmitted under
9 this Act shall be transmitted to the House of Rep-
10 resentatives and the Senate on the same day, and
11 shall be delivered to the Clerk of the House of Rep-
12 resentatives if the House is not in session, and to
13 the Secretary of the Senate if the Senate is not in
14 session. Each special message so transmitted shall
15 be referred to the appropriate committees of the
16 House of Representatives and the Senate. Each such
17 message shall be printed as a document of each
18 House.

19 (2) Any special message transmitted under this
20 Act shall be printed in the first issue of the Federal
21 Register published after such transmittal.

22 (c) INTRODUCTION OF RESCISSION/RECEIPTS DIS-
23 APPROVAL BILLS.—The procedures set forth in subsection

24 (d) shall apply to any rescission/receipts disapproval bill
25 introduced in the House of Representatives not later than

1 the third calendar day of session beginning on the day
2 after the date of submission of a special message by the
3 President under section 2.

4 (d) CONSIDERATION IN THE HOUSE OF REPRESENT-
5 ATIVES.—(1) The committee of the House of Representa-
6 tives to which a rescission/receipts disapproval bill is re-
7 ferred shall report it without amendment, and with or
8 without recommendation, not later than the eighth cal-
9 endar day of session after the date of its introduction. If
10 the committee fails to report the bill within that period,
11 it is in order to move that the House discharge the com-
12 mittee from further consideration of the bill. A motion to
13 discharge may be made only by an individual favoring the
14 bill (but only after the legislative day on which a Member
15 announces to the House the Member's intention to do so).
16 The motion is highly privileged. Debate thereon shall be
17 limited to not more than one hour, the time to be divided
18 in the House equally between a proponent and an oppo-
19 nent. The previous question shall be considered as ordered
20 on the motion to its adoption without intervening motion.
21 A motion to reconsider the vote by which the motion is
22 agreed to or disagreed to shall not be in order.

23 (2) After a rescission/receipts disapproval bill is re-
24 ported or the committee has been discharged from further
25 consideration, it is in order to move that the House resolve

1 into the Committee of the Whole House on the State of
2 the Union for consideration of the bill. All points of order
3 against the bill and against consideration of the bill are
4 waived. The motion is highly privileged. The previous
5 question shall be considered as ordered on that motion to
6 its adoption without intervening motion. A motion to re-
7 consider the vote by which the motion is agreed to or dis-
8 agreed to shall not be in order. During consideration of
9 the bill in the Committee of the Whole, the first reading
10 of the bill shall be dispensed with. General debate shall
11 proceed without intervening motion, shall be confined to
12 the bill, and shall not exceed two hours equally divided
13 and controlled by a proponent and an opponent of the bill.
14 No amendment to the bill is in order, except any Member
15 may move to strike the disapproval of any rescission or
16 rescissions of budget authority or any proposed repeal of
17 a targeted tax benefit, as applicable, if supported by 49
18 other Members. At the conclusion of the consideration of
19 the bill for amendment, the Committee shall rise and re-
20 port the bill to the House. The previous question shall be
21 considered as ordered on the bill and amendments thereto
22 to final passage without intervening motion. A motion to
23 reconsider the vote on passage of the bill shall not be in
24 order.

1 (3) Appeals from the decisions of the Chair relating
2 to the application of the rules of the House of Representa-
3 tives to the procedure relating to a bill described in sub-
4 section (a) shall be decided without debate.

5 (4) It shall not be in order to consider more than
6 one bill described in subsection (c) or more than one mo-
7 tion to discharge described in paragraph (1) with respect
8 to a particular special message.

9 (5) Consideration of any rescission/receipts dis-
10 approval bill under this subsection is governed by the rules
11 of the House of Representatives except to the extent spe-
12 cifically provided by the provisions of this Act.

13 (e) CONSIDERATION IN THE SENATE.—

14 (1) Any rescission/receipts disapproval bill re-
15 ceived in the Senate from the House shall be consid-
16 ered in the Senate pursuant to the provisions of this
17 Act.

18 (2) Debate in the Senate on any rescission/re-
19 cepts disapproval bill and debatable motions and ap-
20 peals in connection therewith, shall be limited to not
21 more than ten hours. The time shall be equally di-
22 vided between, and controlled by, the majority leader
23 and the minority leader or their designees.

24 (3) Debate in the Senate on any debatable mo-
25 tions or appeal in connection with such bill shall be

1 limited to one hour, to be equally divided between,
2 and controlled by the mover and the manager of the
3 bill, except that in the event the manager of the bill
4 is in favor of any such motion or appeal, the time
5 in opposition thereto shall be controlled by the mi-
6 nority leader or his designee. Such leaders, or either
7 of them, may, from the time under their control on
8 the passage of the bill, allot additional time to any
9 Senator during the consideration of any debatable
10 motion or appeal.

11 (4) A motion to further limit debate is not de-
12 batable. A motion to recommit (except a motion to
13 recommit with instructions to report back within a
14 specified number of days not to exceed one, not
15 counting any day on which the Senate is not in ses-
16 sion) is not in order.

17 (f) POINTS OF ORDER.—

18 (1) It shall not be in order in the Senate to
19 consider any rescission/receipts disapproval bill that
20 relates to any matter other than the rescission of
21 budget authority or veto of the provision of law
22 transmitted by the President under this Act.

23 (2) It shall not be in order in the Senate to
24 consider any amendment to a rescission/receipts dis-
25 approval bill.

1 (3) Paragraphs (1) and (2) may be waived or
2 suspended in the Senate only by a vote of three-
3 fifths of the members duly chosen and sworn.

4 **SEC. 6. REPORTS OF THE GENERAL ACCOUNTING OFFICE.**

5 Beginning on January 6, 1996, and at one-year inter-
6 vals thereafter, the Comptroller General shall submit a re-
7 port to each House of Congress which provides the follow-
8 ing information:

9 (1) A list of each proposed Presidential rescis-
10 sion of discretionary budget authority and veto of a
11 targeted tax benefit submitted through special mes-
12 sages for the fiscal year ending during the preceding
13 calendar year, together with their dollar value, and
14 an indication of whether each rescission of discre-
15 tionary budget authority or veto of a targeted tax
16 benefit was accepted or rejected by Congress.

17 (2) The total number of proposed Presidential
18 rescissions of discretionary budget authority and ve-
19 toes of a targeted tax benefit submitted through spe-
20 cial messages for the fiscal year ending during the
21 preceding calendar year, together with their total
22 dollar value.

23 (3) The total number of Presidential rescissions
24 of discretionary budget authority or vetoes of a tar-
25 geted tax benefit submitted through special mes-

1 sages for the fiscal year ending during the preceding
2 calendar year and approved by Congress, together
3 with their total dollar value.

4 (4) A list of rescissions of discretionary budget
5 authority initiated by Congress for the fiscal year
6 ending during the preceding calendar year, together
7 with their dollar value, and an indication of whether
8 each such rescission was accepted or rejected by
9 Congress.

10 (5) The total number of rescissions of discre-
11 tionary budget authority initiated and accepted by
12 Congress for the fiscal year ending during the pre-
13 ceding calendar year, together with their total dollar
14 value.

15 (6) A summary of the information provided by
16 paragraphs (2), (3) and (5) for each of the ten fiscal
17 years ending before the fiscal year during this cal-
18 endar year.

19 **SEC. 7. JUDICIAL REVIEW.**

20 (a) EXPEDITED REVIEW.—

21 (1) Any Member of Congress may bring an ac-
22 tion, in the United States District Court for the Dis-
23 trict of Columbia, for declaratory judgment and in-
24 junctive relief on the ground that any provision of
25 this Act violates the Constitution.

1 (2) A copy of any complaint in an action
2 brought under paragraph (1) shall be promptly de-
3 livered to the Secretary of the Senate and the Clerk
4 of the House of Representatives, and each House of
5 Congress shall have the right to intervene in such
6 action.

7 (3) Any action brought under paragraph (1)
8 shall be heard and determined by a three-judge
9 court in accordance with section 2284 of title 28,
10 United States Code.

11 Nothing in this section or in any other law shall infringe
12 upon the right of the House of Representatives to inter-
13 vene in an action brought under paragraph (1) without
14 the necessity of adopting a resolution to authorize such
15 intervention.

16 (b) APPEAL TO SUPREME COURT.—Notwithstanding
17 any other provision of law, any order of the United States
18 District Court for the District of Columbia which is issued
19 pursuant to an action brought under paragraph (1) of sub-
20 section (a) shall be reviewable by appeal directly to the
21 Supreme Court of the United States. Any such appeal
22 shall be taken by a notice of appeal filed within 10 days
23 after such order is entered; and the jurisdictional state-
24 ment shall be filed within 30 days after such order is en-
25 tered. No stay of an order issued pursuant to an action

1 brought under paragraph (1) of subsection (a) shall be
2 issued by a single Justice of the Supreme Court.

3 (c) EXPEDITED CONSIDERATION.—It shall be the
4 duty of the District Court for the District of Columbia
5 and the Supreme Court of the United States to advance
6 on the docket and to expedite to the greatest possible ex-
7 tent the disposition of any matter brought under sub-
8 section (a).

Passed the House of Representatives February 6,
1995.

Attest:

ROBIN H. CARLE,
Clerk.